



**EDUCATION AND LOCAL GOV'T**  
**November 17, 2011**  
**EXHIBIT 3**

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF PERFORMANCE-BASED FUNDING FOR K-12 EDUCATION, THE DEVELOPMENT OF A PERFORMANCE-BASED FUNDING DESIGN, AND AN IMPLEMENTATION PLAN FOR CONSIDERATION BY THE 63RD LEGISLATURE.

WHEREAS, having shared policy goals and accountability measures for K-12 education requires working for greater efficiency with improved outcomes; and

WHEREAS, the shared policy goals agreement for K-12 education calls for lower dropout rates and increased graduation percentages, among other things; and

WHEREAS, the citizens of Montana expect schools to be funded adequately and students to be well educated; and

WHEREAS, Montana taxpayers deserve the best possible return on their investment in education; and

WHEREAS, states that use performance-based funding formulas have realized improvement in student achievement.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate the Education and Local Government Interim Committee to:

- (1) examine performance-based funding formulas for K-12 education used in other states;
- (2) avail itself of reports and other resources available through the National Conference of State Legislatures, the Council of State Governments, and other reliable sources of information and entities involved in performance-based funding for K-12 education;
- (3) consider the following elements as primary components of a performance-based funding formula for K-12 education in Montana:
  - (a) a retention component that would initially set aside a percentage of available funds to be distributed

to a district or school when the district or school attains well-defined performance thresholds;

(b) a bonus component that would identify a portion of available funds to be used to induce and reward a district or school to meet well-defined performance goals and objectives; and

(c) a reduction component that would effectively function as a funding penalty when a district or school fails to meet or falls below well-defined performance benchmarks;

(4) design a performance-based funding formula or structure for K-12 education for use in this state that recognizes and accommodates Montana's historical commitment to local control, highly qualified educators, high student achievement, and continual improvement in education outcomes; and

(5) develop for consideration by the 63rd Legislature a plan to implement the performance-based funding formula or structure for K-12 education.

BE IT FURTHER RESOLVED, that the committee report its findings, conclusions, and recommendations, including a performance-based funding design and implementation plan, to the Governor, the Superintendent of Public Instruction, and the 63rd Legislature.

BE IT FURTHER RESOLVED, that all aspects of the study be concluded prior to September 15, 2012.

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